

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE APPLICATION OF</b>	)	
<b>PACIFICORP FOR AUTHORITY TO ISSUE</b>	)	<b>CASE NO. PAC-E-05-4</b>
<b>AND SELL UP TO 50,000,000 SHARES OF ITS</b>	)	
<b>COMMON STOCK TO ITS PARENT,</b>	)	
<b>PACIFICORP HOLDINGS, INC.</b>	)	<b>ORDER NO. 29786</b>
	)	

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On April 11, 2005, PacifiCorp filed an Application requesting authority to issue and sell, from time to time and for cash, up to 50,000,000 shares of Common Stock (Shares) to its parent, PacifiCorp Holdings, Inc. (Parent). PacifiCorp requests that the Commission issue its Order on or before May 31, 2005.

Currently, PacifiCorp has authority to issue 35,148,515 shares of stock to the Parent pursuant to a previous Order authorizing the Company to issue and sell 50,000,000 shares.<sup>1</sup> See Order No. 29144 issued on October 30, 2002 in Case No. PAC-E-02-4. The current request is for authority to issue an additional 14,851,485 under the same terms and conditions as the prior authority. Thus, an aggregate of 50,000,000 shares of Company Common Stock will be authorized for future issuances and sale to the Parent.

**THE APPLICATION**

PacifiCorp submits this Application pursuant to *Idaho Code* § 61-901 *et seq.* and Procedural Rules 141-150. IDAPA 31.01.01.141-150. According to the Application, the proposed sales and issuances of the Shares are reasonably required to maintain a proper capitalization ratio; to maintain or improve the Company's access to capital on reasonable terms; and to enable the Company to acquire, construct, improve and maintain sufficient utility facilities to serve its customers adequately and reliably at a reasonable cost. In addition to this Application, the Company is seeking separate authority to issue and sell or exchange debt in the aggregate principal amount not to exceed \$1,000,000,000. Case No. PAC-E-05-5.

**STAFF REVIEW**

Staff recommended approval of PacifiCorp's Application. The current capital structure consists of 54.1% debt, 0.6% preferred and 45.3% common equity. The pro forma

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<sup>1</sup> To date 14,851,485 shares have been issued under the prior authority.

capital structure if both this equity authority and the debt authority are approved is 56.1% debt, 0.5% preferred and 43.4% common equity.

### **FINDINGS OF FACT**

PacifiCorp was incorporated under Oregon law in August 1987 for the purposes of (1) facilitating consummation of a merger with Utah Power & Light Company, a Utah corporation, and (2) changing the state of incorporation of PacifiCorp from Maine to Oregon. The Company uses the assumed business name of Utah Power & Light within its service territory in Idaho.

Based on the representations in the Application, we find that the proceeds from the issuances and sales of the Shares will be used for the acquisition of utility property; the construction, completion, extension or improvement of utility facilities; the improvement or maintenance of service; the discharge or unlawful refunding of obligations which were incurred for utility purposes; or the reimbursement of the Company's treasury for funds used for the foregoing purposes.

Based on the representations in the Application, we further find that PacifiCorp proposes to issue and sell the Shares to its Parent at a purchase price not less than the book value of the Common Stock, determined as of the last day of the month prior to each issuance.

The Company has paid the required fees required by *Idaho Code* § 61-905.

### **CONCLUSIONS OF LAW**

PacifiCorp is an electric corporation within the definition of *Idaho Code* § 61-119 and is a public utility within the definition of *Idaho Code* § 61-129. The Idaho Public Utilities Commission has jurisdiction over this matter pursuant to Title 61, Idaho Code, Chapters 1 and 9, specifically *Idaho Code* §§ 61-119, 61-129, 61-901, and 61-902, and IDAPA 31.01.01.141-.150.

After examining the Application and Staff's comments, the Commission finds that an evidentiary hearing in this matter is not required and would serve no public purpose.

The Commission further finds that the Application requesting authority to issue and sell, from time to time and for cash, up to 50,000,000 shares of Common Stock to its parent, PacifiCorp Holdings, Inc. is for a lawful purpose, is within PacifiCorp's corporate powers, and is generally compatible with the public interest. The Commission further finds that the method of issuance is proper.

This general approval of the general purposes to which the proceeds will be put is neither a finding of fact nor a conclusion of law that any particular program of the Company which may be benefited by the approval of this Application has been considered or approved by this Order, and this Order shall not be construed to that effect.

The issuance of this Order does not constitute agency determination/approval of the type of financing or the related costs for ratemaking purposes, which determination the Commission expressly reserves until the appropriate proceeding.

### **ORDER**

IT IS HEREBY ORDERED that the Application of PacifiCorp requesting authority to issue and sell, from time to time and for cash, up to 50,000,000 shares of Common Stock to its parent, PacifiCorp Holdings, Inc. is hereby granted.

IT IS FURTHER ORDERED that this authority includes the remaining authority under Order No. 29144 in Case No. PAC-E-02-4, resulting in an aggregate 50,000,000 shares of the Company Common Stock that may be issued after the date of this Order and shall remain effective until all such Shares have been issued.

IT IS FURTHER ORDERED that nothing in this Order or any act or deed performed in connection with this Order shall be construed to obligate the State of Idaho to pay or guarantee in any manner whatsoever any security authorized, issued, assumed or guaranteed under the provisions of this Order.

IT IS FURTHER ORDERED that this authorization is without prejudice to the regulatory authority of this Commission with respect to rates, service, accounts, evaluation estimates or determination of costs or any other matter which may come before the Commission pursuant to its jurisdiction and authority as provided by law.

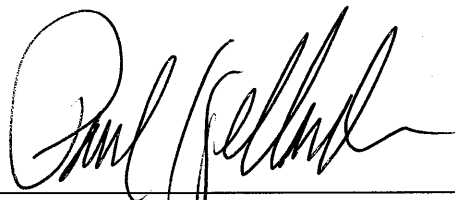
IT IS FURTHER ORDERED that PacifiCorp shall file the following as they become available:

1. The "Report of Securities Issued" required by 18 C.F.R. § 34.10.
2. Verified copies of any agreement entered into in connection with the Company's sales and issuances of the Shares to its Parent.
3. A verified statement setting forth in reasonable detail the disposition of the proceeds of each sale and issuance of the Shares pursuant to this Order.

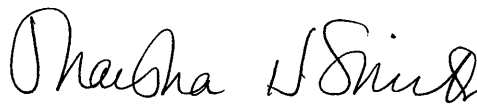
IT IS FURTHER ORDERED that the issuance of this Order does not constitute acceptance of PacifiCorp's exhibits or other material accompanying this Application for any purpose other than the issuance of this Order.

THIS IS A FINAL ORDER. Any person interested in the Order (or in issues decided by this Order) may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order and in this case. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code §§ 61-626 and 62-619.*

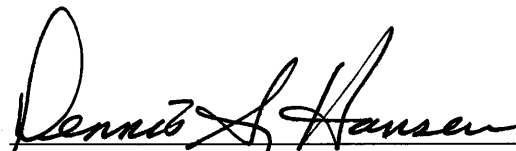
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 17<sup>th</sup> day of May 2005.



PAUL KJELLANDER, PRESIDENT

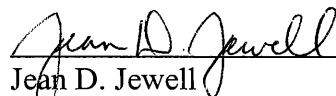


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell  
Commission Secretary

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